The Industrial Labour Welfare Association Ltd.,
COIMBATORE.

The All-India Manufacturers' Organization,

BOMBAY.

Welcome Speech by

Shri G. D. NAIDU,

President, I. L. W. A. Ltd., Coimbatore.

and

Speech by

Shri G. V. PURANIK,

Chairman of the Organization.

and

Some Other Members

at the First Quarterly Meeting of the Central Committee of the Organization held at "Gopal Bagh", Coimbatore on 8th July, 1961.

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The Industrial Labour Welfare Association Ltd., COIMBATORE.

On the invitation of Shri G. D. Naidu the First Quarterly Meeting of the Central Committee of the All India Manufacturers' Organization, Bombay, was held at "Gopal Bagh", Coimbatore, on Saturday, 8th of July 1961.

Welcoming the Chairman, members and the visitors, Shri G. D. Naidu paid high tributes to the organization founded by the great statesman and the most experienced Industrial Engineer Sir M. Visveswaraya with whom he had contact from the time of his first automobile plan before the war, that he was nominated as a member of the Planning Commission, by Shri V. V. Giri, present Governor of Kerala, on the recommendation of Sir M. Visveswaraya.

He pointed out that there was abnormal waste of our resources in various ways and that the Government gave licences without proper consideration and that the All India Manufacturers' Organization have been giving some advice to the Government to rectify the defects.

Referring to the Five Year Plans Mr. Naidu said that there was already a lot of inflation and that the position would be worse than at present during the Third Five Year plan for which 10,000 crores would be spent.

He concluded that the first and foremost requirements are agriculture and industries providing food and work to the growing population of our Country.

Shri G. V. Puranik of Bombay, Chairman of the All India Manufacturers' Organization, said that Shri G. D. Naidu had been inviting them to hold the meeting at Coimbatore year after year and that they were glad to hold the meeting at Coimbatore this year. He expressed the hope that it would be possible to make suitable organizational arrangements at Coimbatore for furthering the cause of industrial development in this area.

He traced the development of industries and the progress made in our country during the last decade of planning and also referred to certain undesirable features in the economy of our country viz., growing imbalance in the growth rates between investments and national income as well as between exports and imports, the high rate of growth of population and the rapidly rising prices and costs of living. He pointed out that India has registered a lower rate of economic growth during the last decade than most under-developed countries. He emphasised that there was a vast scope for improvement in productivity in our agriculture and industry.

Some of the committee members moved the resolutions on the "Management Training", "Export Promotion Council", "Co-operation between Public and Private Sectors" and "Development of Madras State" and were duly seconded, supported and passed unanimously after considerable discussions.

Mr. D. C. Sutaria of Nagpur, who proposed a vote of thanks, paid high tributes to Shri G. D. Naidu for having invited so many Committee Members to Coimbatore and for his elaborate arrangements and hospitality and also thanked one and all, who participated in the meeting.

Welcome Speech by

Mr. G. D. NAIDU

Coimbatore.

Dear Chairman, Members of the Central Committee of All India Manufacturers' Organization and friends,

I whole heartedly welcome all of you to this far away place from the Headquarters. I have got the greatest regard for this organization founded by the great statesman and the most experienced industrial Engineer, Sir M. Visveswaraya who is the Father of our industries and who gave the industrial knowledge to our people in India. Had it not been for Sir M. Visveswaraya's plans and if such plans had not been followed, Mysore, Bombay and other States would not be in the fore-front in the Indian Industries.

I had contact with him from the time of his first automobile plan before the war. On the recommendation of Sir M. Visveswaraya, when our friend Shri V. V. Giri, who was then the Minister for Industries and Labour and at present the Governor of Kerala, nominated me as a Member in the Planning Commission. Unfortunately on account of war no schemes were carried out.

After the War the Government gave licences without proper consideration, leading to abnormal waste. In 1953 when I attended the All India Manufacturers' Organization Meeting at Nagpur, I gave a brief speech as an example, how we were wasting our resources. At that time, fortunately I was acting as Secretary for Sir M. Visveswaraya at Nagpur for a week. He took the essence of the speech and moved the Government immediately and the Government also carefully avoided the waste to a certain extent, reviewing and reorganising Automobile Industries. But still the same waste is going on through various directions, in various names and schemes or under some excuses. Anyhow in this way I have the close contact with Sir M. Visveswaraya for a long time. I have attended many of the meetings of All India Manufacturers' Organization.

The All India Manufacturers' Organization in all its meetings is giving sane advice to the Government, explaining the defects, if any, in their policy or in their activities then and there. The Government also are correcting the defects pointed out by the All India Manufacturers' Organization. Still, more or less the blood or cream is sent out from India, by turbine pumps very smoothly leaving behind bloodless water or creamless butter milk for us. When our population is increasing so rapidly, when we

have not got enough industries, when we start industries with thousands of collaborations, we do not know where we will stand in the coming years.

Recently the Congress President mentioned, that the next 10 years would be the most dangerous period and is fearing whether democracy would survive or not. But if we calculate the Third theoritical plan, the dangerous time will not wait for 10 years. We have to expect in the year 1964 and after.

We have spent 1000 crores during the First Five Year Plan and 2000 crores during Second Five Year Plan period. We have some remarkable achievements. But we have not achieved what we want to satisfy the growing need of the population. Now, in the III plan drawn out, as in the papers, if we spend 10,000 crores, we don't know what will happen and where we will stand?

I am not telling this as the astrologers say that 1962 February first week between 3rd and fifth would be the dangerous days. We need not have fear for 1962 February, as there is no connection with astrology and humanity.

If we see with our open eyes what was the result of the first plan by spending 1000 crores and the 2nd plan by spending 2000 crores, then

we may know what will be the result in the III plan when we would spend 10,000 crores. But when we see practically what is going on in our country, it looks that the dangerous period will start from 1964.

Shri Ashok Mehta pointed out, that more than 6 crores of people have got less than 25 np income per day. Some experts estimate that more than one crore of people will have no work in the third plan and there will be several crores of persons with under employment.

For any country the first and foremost requirements are agriculture and industries, in order to give food and work for the growing population. Any resources, available as our own income, should be utilised for these items and if we have anything over and above, then we have to think about luxuries and other requirements.

Still I want to mention several matters connected with industries, education, health and how much of man power and time is not utilised and many of the defects in the policies, conflicting rules and acts and instead of co-operation how much non co-operation exists in various spheres and proper ways and means to utilise everything for the benefit of the country. Here I don't want to take the precious time available for the meeting in

which we are going to discuss many matters connected with industries and our country.

Now I thank you for accepting my invitation to have the meeting here and coming under so much of inconvenience on account of flood and other unexpected difficulties. I request you to guide us by your advice with much experience.

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Speech by

Shri G. V. PURANIK,

Chairman of The All India Manufacturers' Organization.

Shri G. D. Naidu, Distinguished Guests and Members of the Central Committee,

It is with great pleasure I welcome you all to the First Quarterly Meeting of the Central Committee of our Organization today. I am particularly glad that we have been able to hold this meeting at Coimbatore. There has been a long-standing invitation from Shri Naidu and other friends here to hold a meeting of our Organization in this City. Shri Naidu has renewed this invitation at every one of our meetings which he has attended in recent years. As many of you may be aware he is very much devoted to our illustrious Founder-President, Dr. M. Visveswaraya, who holds him alike in high esteem. Apart from this, Coimbatore is growing in importance as an industrial and commercial centre of the country. We have already some valued members in Coimbatore and we hope that with their co-operation and with the zeal and indefatigable energy of Shri Naidu, it would be possible for us to make suitable organisational arrangements at Coimbatore for furthering the cause of industrial development in this area.

U. N. Economic Survey

At the last annual Conference of our Organization held in New Delhi about 2-1/2 months ago, I reviewed the progress made by our country during the last decade of planning. I drew attention to certain undesirable features in the economy of our country, viz., growing imbalance in the growth rates between investments and national income as well as between exports and imports, the high rate of growth of population and the rapidly rising prices and costs of living. A few days ago, the United Nations published a World Economic Survey for 1960. This Survey, coming as it is from an impartial body with such high status as the United Nations Organisation, is a timely one from the point of view of our country which has just embarked on an ambitious Third Five-Year Plan. We are no doubt aware of the unsatisfactory return we are deriving from the investment of several hundreds of crores of rupees in the past. Even then, the finding that India has registered a lower rate of economic growth during the last decade than most under-developed countries has come as a surprise and a matter of concern to us. It is stated that Indian rate of growth averaged 3% per annum during this period compared with 11 for Israel, 9 for Iraq, 8 for Venezuela, 7 for Central Africa, 6 for Burma, Mexico, Brazil, Philippines and Turkey, 5 for South Africa,

Congo, Ghana and Columbia, and 4 for Thailand, Indonesia and Chile. It is known that most of the under-developed countries invest a scant 5% of their national income. India, on the other hand, has been investing at a rate more than double this, including the substantial foreign aid she is getting. Though a good portion of investment is in iron and steel and some other industrial projects and irrigation schemes which because of the gestation period required are yet to yield benefit, we cannot but admit, as pointed out by me in my last Speech, that there is a vast scope for improvement in productivity in our agriculture and industry. Perhaps it is a matter of some satisfaction to us that our industries have fared on the whole better than agriculture. The general index of industrial production has gone up by 67.5% during the last decade while agricultural production has gone up by 41%. The average annual increase in industrial production is thus over 6%. The increase during last year is over 12% and if account is taken of production in a number of new lines which are not covered by the index at present, the rate of growth attained during last year, it is stated, will be of the order of 14%. It may be interesting to note that in an article appearing in the latest issue of the "International Labour Review", the Deputy Director-General of the I. L. O. has referred to the definition of rapid industrialization by

Arthur Lewis, viz., "persistent increase in manufacturing output of 6% per annum or more". This rate has been achieved and exceeded by the United States, Canada, Japan, the U. S. S. R., Federal Republic of Germany, France and Sweden. Their rate of growth of manufacturing output varies between 5 to 10%. India, therefore, can be confidently said to be on the road of rapid industrialization.

Dealing with the problem of obtaining adequate finance for economic development of under-developed countries, the U. N. Survey has stated that a great deal more remains to be done to encourage private saving, to increase public revenue and reduce non-essential expenditure. I would like to draw attention to the following pertinent observations of the United Nations Organisation which have a great bearing on our country—

(i) Accelerated depreciation allowance and tax exemptions for re-invested profits can act as a valuable inducement to the business sector ;

(ii) Agriculture has generally been the least taxed sector in under-developed countries. Often land assessments have not been revised for many years. In many instances, they do not even reflect the increase in land value

resulting from improvements made by Government themselves through provision of irrigation, transport and other facilities;

(iii) Unless there is a marked and sustained improvement in the export earnings, under-developed countries are likely to find the burden of international indebtedness accentuated rather than diminished in the 1960s.

I hope that these and several other valuable suggestions of the UNO will receive the careful consideration of our Government and the Planning Commission.

Third Five-Year Plan

Since our last Annual Session, two important developments have taken place and they are:

(1) The National Development Council has approved the draft of the Third Five-Year Plan with its physical and financial targets, the salient features of which have already appeared in the Press.

(2) The Aid India Club, thanks to the initiative and persuation of the United States, has assured that the

foreign exchange requirements of our country during the first two years of the Third Plan period will be almost met by the members of the Consortium.

As I have already dealt with general policy matters in respect of the Third Five-Year Plan in my previous speeches, I propose to confine myself here to a few essential aspects mostly of a procedural nature so far as industries are concerned.

Recently, the Ministry of Commerce & Industry released some details of industrial capacities—existing, licensed and covered by foreign exchange assistance—as on 1st January 1961 These figures together with the targets fixed for the respective industries under the Third Plan are given separately in the form of a statement. It is seen that in several industries a substantial portion of the additional capacity to be created during the Third Plan period has already been licensed. As a result, existing capacities constitute only as low a proportion as 20-50% of the licensed capacities in a number of industries. It may be that a good portion of this additional capacity has been covered by offers of foreign exchange from foreign collaborators and others. I would like to point out that an important aspect which should not escape our attention is that,

even as it is, there is a large idle capacity in a number of industries ranging between 25 to 60% for which lack of availability of essential raw materials components or balancing plant is a main reason. Because of our limited foreign exchange resources, there has been a drastic cut on raw material imports, even of essential items. Even though the additional capacity to be created may have been covered to a large extent by offers of foreign exchange assistance, such assistance is only for capital equipment. Once these new industrial projects are established, they will naturally compete with existing industries for maintenance imports of essential raw materials and components. As pointed out by me earlier, the yield that we are getting from the investment already made in the first two Five-Year Plans is not satisfactory. In view of our acute foreign exchange shortage, the highest priority should be given to fuller utilization of existing capacity. We should avoid repetition of what happened during the Second Plan period. Because of indiscriminate licensing of new units and issue of import licences without proper phasing of the same, a very serious foreign exchange crisis developed within the first two years of the Second Plan period which retarded the pace of progress during the subsequent years. The import of larger quantities of capital goods without ensuring the supply of raw materials for such capital goods is doing injury to our

economy. I, therefore, emphasise that maintenance imports of essential raw materials, spare parts, components, etc. required by existing industries should be given precedence over developmental imports of capital equipments unless the industries to be started are based on indigenous raw materials or are planned for production of essential raw materials and components which have to be imported at present.

We are gratified at the successful outcome of the Aid India Consortium which held its meeting in Washington in the first week of June and congratulate the Government of India on the massive assistance they have been able to obtain. The members of the Consortium have jointly offered India foreign exchange assistance to the extent of $ 2,286 million Dollars for the first two years of the Third Plan. This amount, together with the marginal assistance expected from some other Western countries which attended the Consortium meeting by invitation, will be adequate, it is hoped, to meet India's requirements of foreign exchange for the first two years of the Third Five-Year Plan.

For tackling effectively the problem of idle capacity in various industries which is a national loss, I would like to suggest that the concerned Development Councils should be

immediately entrusted with the task of ascertaining reasons for the same and recommending appropriate remedial measures. It is essential that this should be done before licensing of new capacities, as otherwise, it would only aggravate the problem of idle capacity within the country.

Some modification is also required of the way in which additional capacity is being licensed. On the one hand, Government and the Parliament have accepted the principle that concentration of economic power in a few hands should be prevented. On the other hand, the present tendency to license increased capacity in existing units under the control of large industrial groups is militating against the achievement of this objective. It will be highly desirable to encourage a large number of medium sized units to expand their capacity and where this is not possible because of the nature of the industry, it would be preferable to have new large scale units which do not form part of an existing industrial group, thus avoiding further strengthening of existing pools of economic power. This, of course, will have to be done with due consideration so that the country's industrial progress may not be hampered.

The Consortium in a communique issued after the meeting has stated that the broad

objectives of the Third Five-Year Plan are reasonable, that the Plan itself is well-conceived and that India has demonstrated its capacity to make effective use of foreign aid. It has also recognised the need for a substantial inflow of foreign capital into India. In view of this, I appeal to the Government of India to prevail upon the members of the Consortium to allow a fair proportion of foreign exchange aid for maintenance imports. Some of the developmental capital goods imports can await our export earnings. In the meantime, maintenance imports, in view of their urgency, should be financed through foreign exchange aid from the Consortium. Already, the World Bank, the U. S. A. and West Germany have agreed to grant India financial credits which it can use as it wishes. Hence, I hope it will be possible for our Government to prevail upon the other members of the Consortium to allow an appreciable portion of their assistance for use by India to finance her essential maintenance imports.

Apart from raw material shortage, inadequete supply of power and irregular availability of transport facilities constitute two other serious bottlenecks in the way of attaining a higher rate of growth of manufacturing output. The need for a larger financial allocation for these two items than proposed in the Draft Outline of the Third Plan has been stressed by

us in a Memorandum submitted to the Planning Commission. It is a matter of some satisfaction to us to note that the power target has been raised over Rs. 1,000 crores as against Rs. 925 crores in the Draft Outline. In the case of transport, though there is no likelihood of immediate upward revision of financial allocation, an assurance has been given that every effort will be made to provide more funds later on if required. Even though power and transport have not been provided with the much higher financial allocation which they deserve, I do hope that the growing awareness of their importance will lead to according of a much higher priority in time to them as I had urged in the case of maintenance imports over developmental imports.

Indications are available that there is a keen awareness on the part of Government and the Planning Commission of the need for dynamic approach to the balance of payments problem through greater emphasis on exports. It is reported that the proposal to establish and build up export houses with special inducements to encourage them is likely to receive the sanction of Government. This is no doubt welcome news as it is one of the measures our Organization has often urged in the recent past. As the Government are re-thinking about their export policy, I would like to draw attention to an all-out drive that has been

launched by some other countries. Only a few days ago an Australian Trade Mission Ship visited some important ports of our country. It carried the largest Trade Mission ever to leave Australia and it has been organised by the Australian industrial and commercial interests with the full support of the Australian Government. In March last, the Australian Government announced a number of incentives aimed at promoting Australian export effort and these incentives included tax deduction on new exports and special tax concessions on promotional expenses. Tax deduction will take the form of rebate determined by increase in export value achieved by a Company compared with the value of its exports in the past two years. This rebate will apply for three years. We too have been urging provision of inducement of this kind, but for one reason or other, it has not found favour with our Government so far. The great importance that Canada attaches to export promotion will be evident from the recent Export Trade Promotion Conference held in Ottawa when "1,365 firms had a total of 10,502 personal interviews on trade prospects with Canadian trade representatives abroad. 100 Canadian Government Trade Commissioners were summoned home for the Conference from 63 posts in 49 countries to discuss sales opportunities and problems with headquarters officials and businessmen". The Canadian Government and the Chartered

Banks of Canada have co-operated setting up greatly expanded export credit facilities to Canadian manufacturers, and while announcing the new plan, the Minister of Trade and Commerce said that "it is the intention of Banks and Government that export credit facilities will match anything being made available by any other country".

An export increase of 10% during current year has been planned by Japan, by offering special inducements and incentives to Japanese trade and it is hardly necessary for me to recount them here as we have referred to them quite often in the past.

Even at the risk of repetition, I would like to reiterate some of the measures which we have often advocated to our members for implementation, viz., paying greater attention to improving quality of production, exploration of markets, training of personnel in marketing methods and making their organization efficient enough to handle international trade.

I would also like to urge that there should be no further expansion in the activities of the State Trading Corporation. It is rumoured that the Constitution of the State Trading Corporation is likely to be amended in order to enlarge the scope of the activities of the Corporation. The Corporation, as you all know, was originally intended for trading with

Communist countries only and the subsequent enlargement of its activities have led to frustration among businessmen without contributing in any appreciable measure at the same time to the country's export trade.

While on the subject of export trade, I would like to refer briefly to the likely repercussion the entry of the U. K. into the European Common Market will have on India's export trade. An appreciable portion of India's export trade is with the U. K. at present, probably due to Commonwealth Preference accorded to countries in the Commonwealth. If the U. K. enters the European Common Market, this peference in all probability will be lost. The Industrial and Business communities in particular are apprehensive of the adverse effects on the export trade our of country. Care will have to be taken to see, therefore, that India's quantum of trade with the U. K. will not be adversely affected in any way. We also urge that the U. K. should consult India and other Commonwealth countries before taking any final decision in the matter.

Stabilization of Prices

The subject of export promotion naturally takes me to the need for stabilization of prices of our commodities. Because of restrictions on imports, there has been a seller's market for a number of commodities within the country.

In the context of rising prices, it has been possible for our businessmen to make profits easily by internal sales without exploring the more difficult task of external sales. Further, prices of our raw materials have been rising at an alarming rate. During last year, the index of raw material prices went up by 18.3 points, much more than the rise in the other groups. A major contributing factor is the constant increase in excise duty by the Central Government and in sales tax by the State Governments. As a result there are cases where there is a multiple levy on the same product at different stages. The pricing policy of Government in regard to such a basic raw material as steel has also had some adverse effect. These, coupled with the ever-increasing wage cost, have led to cost price inflation within the country. Unless all concerned, including Government, industrialists, businessmen and workers, show a readiness to deny themselves any special advantage which may be gained at the expenses of others, I am afraid it will be practically impossible for our country to stabilise our price level, and mitigate our balance of payments difficulties.

Co-operation between Public and Private Sectors

You may recall that our Organization has been advocating limited public participation in the share capital of selected State undertakings.

This proposal found favour with the Estimates Committee of the Parliament and the Krishna Menon Committee on Public Under-takings. However, as the opinion at the highest level of Government was sharply divided on its advisability, the matter was referred to a Special Committee of Secretaries headed by Shri Vishnu Sahay for detailed examination and it is reported that the Committee has held that this would not be desirable at any rate for the present and that its reccommendation has been endorsed at the highest level. While we regret this reported decision of Government, we note the initiative that has been taken by the Government of Maharashtra to have a Joint Sector whereby the State Government will participate in some private industrial ventures. A study Group appointed by the State Government has made it clear that joint ventures should have complete autonomy in regard to day to day working, purchases, appointments promotions, transfers, and general management. An allocation of about Rs. 2.7 crores has been made for investment by the State Government for investment in such ventures during the Third Plan period. I am drawing attention to this particularly because it was reported in the Press a few days ago that the Madras Government also wanted to participate to some extent in the share capital of private ventures and that this was frowned upon by the Planning Commission. But I hope

that our suggestion for participation by the public in the State enterprises to give the public sector a real "Public Character" would be given a second thought and implemented at least as an experimental measure in some State enterprises.

Development of Madras State

As you may be aware, the Madras State, inspite of its deficiency in production of key minerals, is occupying a prominent position in the industrial map of our country. This is largely because of its stable Government with a reputation for good administration, high percentage of literacy and availability of a good supply of engineers and technical men of different types, as well as skilled and semi-skilled workers. Company statistics show that in recent years, formation of new registrations has been at a more rapid rate in the Madras State than in the other States. Madras State is having the distinction of completing rural electrification by the end of the Third Plan. It has also achieved a remarkable success to its credit in controlling effectively population growth, as revealed by the latest Census of 1961. Our Organization, as you all know, has been attaching the greatest importance to family planning and planned parenthood for our nation building. Perhaps, encouraged by these hopeful features, the State Minister for Industries, Shri R. Venkataraman, claimed in

a speech he made in this City a few days ago that the Madras State is already in the "take off" stage and he is reported to have substantiated his claim by quoting a report of Professor Barna of the Stansford Institute. I hope and wish that this will come true.

With these words I once again thank Shri G. D. Naidu and other friends in Coimbatore for inviting us to hold our Quarterly Meeting here, and I formally move the adoption of the First Quarterly Report and the Audited Statement of Accounts.

TABLE I

EXISTING AND LICENSED CAPACITIES IN SELECTED ENGINEERING INDUSTRIES

(Actuals and Third Plan Targets)

Name of Industry	Unit	Third Plan capacity targets (a)	Total capacity licensed as on 1-1-1961	Existing capacity as on 1-1-1961	Existing capacity plus capacity covered by foreign exchange
1	2	3	4	5	6
1 Steel castings	'000 tons	200.00	167.93	39.60	75 61
2 Steel forging	,,	200.00	137.23	42.33	71.47
3 Ferro-manganese	,,	220.00	260.40	126 00	200.40
4 Ferro-silicon	,,	40.00	32.20	5.00	25.00
5 Aluminium	,,	87.50	87.50	17.50	62.50
6 Copper (Fire-refined & Electrolytic)	,,	18.40	15.60	7.20	15.60
7 Lead	,,	8.50	6.00	6.00	6.00
8 Zinc	,,	15.00	(1)	nil	nil
9 Watches	'000 Nos.	360.00	670.00	nil	670.00
10 Wagons (in terms of 4 wheelers)	Nos.	33,500	31,420	26,000	29,420
11 Passenger Cars	'000 Nos.	30.00	20.20	20.20	20.20
12 Commercial vehicles	,,	60.00	28.00	28.00	28.00
13 Jeep & Station Wagons	,,	10.00	6.50(2)	6.50	6.50
14 Motor cycles & Scooters	,,	48.00 to 60.00	35,00(3)	23.00	35.00
15 Ball and Roller bearings	Mill Nos.	8.00	9.08	0.90	3.07
16 Crawler Tractors	Nos.	600.00	(4)	nil	nil
17 Dumpers and Scrapers	,,	600.00	180	nil	nil
18 Shovels	,,	125	60(5)	nil	30
19 Road rollers	,,	800	514	414	414
20 Power Driven Pumps @	'000 Nos.	184.90	142.97	116.42	132.45
21 Diesel Engines @	,,	72.00	55.83	35.83	47.98
22 Tractors	,,	12.00	10.00	nil	6.50
23 Bicycles @	Nos.	2.20	1.30	1.12	1.30
24 Sewing machines	'000 Nos.	500.00	216.70	133.70	174.70
25 Welding Electrodes	Mill R.Ft.	1080.00	745.00	420.00	654.40
26 Electric Transformers @ (Below 33 Kv)	Mill KVA	4.00	2.57	1.24	2.22
27 Electric Motors (20 HP & below) at	Mill HP	300.00	1.62	0.60	1.41
28 Electric Cables & Wires					
(1) A.C.S.R.	'000 tons	55.00	42.80	19.30	27.90
(2) VIR & Plastic Coated	Mill Core Yds.	800.00	858.90	288.90	747.50
(3) Paper Insulated	Miles	4500	3188	384	1964
(4) Dry Core Cables	,,	2000 to 2500	2000	1200	2000
(5) Co-axial Cables	,,	300	600	600 (double shift)	600
29 Electric Fans at	Mill Nos.	2.80	1.58	0.87	1.04
30 House Service Meters (Single Phase & Polyphase)	,,	2.50	1.60	0.38	1.31

(b) Capacity in Col. 3 is on the basis of double shift.

(@) Figures in Cols. 5 and 6 are stated to be on the basis of single shift; in other cases no. of shifts is not known.

(1) Will be covered with the commissioning of the Zinc Smelter based on zinc concentrates from the Zawar mines in Rajasthan.

(2) Includes 1000 special kinds of three wheelers.

(3) This does not include the capacity of Messrs. Ideal Motors whose capacity is not yet fixed.

(4) Scheme of Messrs Limac is approved but capacity is not yet assessed.

(5) In addition, the scheme of Hindustan Motors is already approved and cleared for foreign exchange, but capacity is not assessed.

TABLE II

EXISTING AND LICENSED CAPACITIES IN SELECTED NON-ENGINEERING INDUSTRIES

(Actuals and Third Plan Targets)

Name of Industry	Unit	Third Plan capacity targets (a)	Total capacity licensed as on 1—1—1961	Existing capacity as on 1—1—1961	Existing capacity plus capacity covered by foreign exchange
1	2	3	4	5	6
1 Nitrogenous Fertilisers	'000 tons	1000.00	596.60 (1)	158.30	506.60
2 Phosphatic Fertilisers (in terms of phosphorous Pentoxide)	"	500.00	300.54	57.30	213.02
3 Sulphuric Acid	"	1500.00	1316.20	475.50	1046.95
4 Soda Ash	"	530.00	476.00	217.00	304.00
5 Caustic Soda	"	400.00	319.06	122.49	163.34
6 Calcium Carbide	"	67.00	47.28	16.68	34.08
7 Sodium Hydrosulphite	"	12.00	8.63	2.30	8 63
8 Hydrogen Peroxide	"	9.50	4.32	3 00	3.00
9 Carbon Black	"	30.00	33.60	nil	10 00
10 Industrial Explosives					
(i) Blasting explosive	"	20 00	15.00	5.00	15.00
(ii) Safety fuses	Mill. coils	25.00	12.26	7.76	7.76
(iii) Detonators	Mill Nos.	80.00	64.00	nil	64.00
(iv) Liquid Oxygen explosives	Tons	9,000	2,000	2,000	2,000
11 Rubber Chemicals	'000 tons	3.00	2.25	nil	2.25
12 Dye stuffs	Mill. lbs.	22.40	26 40	13 50	25.00
13 Insecticides (DDT)	Tons	2,800	2,800	2,800	2,800
14 Soap (organised sector only)	'000 tons	254.00	253.70	253.70	253.70
15 Automobile tyres	Mill Nos.	3.70	2.94	1.46	2.24
16 Bicycle tyres	"	38.60	27.52	15.11	16.91
17 Synthetic Rubber	'000 tons	30.00	50.00	nil	30.00
18 Paper & Paper Board	"	820.00	1140.00	400.00	804.46
19 Newsprint	"	150.00	120.00	30.00	90.00
20 Security Paper	Tons	1500	(2)	—	—
21 Cement	Mill. tons	15.00	15.15	8.88	12.33
22 Refractories	"	2.00	2.36	0.81	1.28
23 Power & Industrial Alcohol	Mill. Galls.	60.00	59.40	1016.90	59.40
24 Industrial Gases:					
(i) Oxygen	Mill. C.ft.	2,300.00	1844.84	154.44	1674.94
(ii) Acetylene	Mill. C.ft.	250.00	241.62	52.30	206.72
25 Rayon & Staple Fibre					
(i) Rayon filament	Mill. lbs.	140.00	137.40	48.00	11.80
(ii) Staple Fibre	"	75 00	57.65		57.00
(iii) Chemical pulp	'000 tons	100.00			
(a) Rayon Grade	"	—	279.60	nil	46.80
(b) Paper Grade	"	—	46.20	nil	26.20

(1) Excluding 422,500 tons consisting of Assam Fertilisers 32,500 tons, Rajasthan Fertilisers 80,000 tons, Madhya Pradesh 50,000 tons, Uttar Pradesh 70,000 tons, Mysore Fertilisers 70,000 tons, Durgapur 60,000 tons, Visakhapatnam 60,000 tons.

(2) Will be covered by Security Paper Mill at Hoshangabad.

Speech by

Mr. N. D. SAHUKAR

of Bombay.

Mr. Chairman, Mr. Naidu and
Members of the Central Committee,

Arriving from the report it gave me very great pleasure to bring to the notice of those of our members who have not been regularly attending all the meetings of the Central Committee, that Mysore State Board have established a Sir M. Visveswaraya Foundation with a view to perpetuating the memory of one of India's greatest sons, by the establishment of an institute to achieve that purpose which had been always so dear to the heart of that great Engineer, Statesman, Administrator and Industrialist. This institute, this society was founded some 2 years ago if I am not mistaken. In 1958 the society was first formed with the great amount of devotion, hard work and zeal, by our friends in Mysore, our members in Mysore, particularly led by our Vice Chairman, Mr. B. N. Gupta. This Visveswaraya Foundation of society got going. They were able to collect a nucleus of a fund with which they have already put up the multi storied building with the active assistance of the members of the A. I. M. O. all over India to us.

With the assistance of the Mysore State I understand that despite all the hard work that our Mysore State Board friends have put in and despite all the acquisitions they have themselves made, they have not been able to collect sufficient funds to complete the construction of the building. Some of us have contributed our mite, but looking in the membership of the A. I. M. O. and with due respect looking to the assurance of many of our members in the economic field in this country, it seems to me that it should be possible for all of us to collect this small amount which is now lacking i. e. I believe about 2 lakhs of rupees. I might mention for your information that this project of the A. I. M. O. has received the backings of the Government of India in as much as the Industrial museum which the society intends to establish in Bangalore will be one of the best, not only in India but in Asia.

Since such industrial museums have the very foundation of the economic and in particular industrial progress of any country, the Government of India is lending every possible assistance and have undertaken to run this institute because no private agency is capable of running an institute of this nature. In view of very laudable object or rather I would say two very laudable objects which this society have viz., (1) to perpetuate the memory of one of the greatest sons of India

and (2) to give to our people some glimpse of industrial revolution which is taking place, I do feel that it is incumbent upon all of us and more so on the members of the A. I. M. O. to give every possible assistance to the society to complete this project which would really be a credit as much to the A. I. M. O. as to the country.

Have done Sir. (Cheers).

Speech by

Mr. PURANIK,

Chairman.

Thank you Mr. Sahukar. Any other speakers on tbe report? I declare it unanimously adopted. Thank you.

Now friends, we have 3 resolutions before us, 1st on "Management Training", second on "Private Policy and Export Promotion" and the 3rd "Development of Madras State". It is the usual practice that though the members of the central committee will vote, at the same time it is possible for all taking those interests in the cause of industry to participate and give the benefit of their advice to our organization. Of course, we have to limit our time so far as the finishing of the meeting is concerned, but at the same time I am sure, it will be possible for us to have valuable suggestions within the limited time we have and with these remarks I will request Mr. Y. A. Fazalbhoy, who perhaps you know has visited foreign countries with friends, I mean in the Government team as a leader to study Management Ideas and Problems and practices in Foreign countries. I have introduced him only briefly but by his speech, I am sure he will do great justice to the resolution and I request him to move the same.

Speech by

Mr. Y. A. FAZALBHOY

of Bombay.

Mr. Chairman, Ladies and Gentlemen,

I have much pleasure to move the resolution on "The Management Training". I hope every body has got the resolution. The meeting of the Central Committee was sponsored by National Productivity Council which recently visited West Germany, U. K. and U. S. A.

Sixthly, there is one more addition. Looking to the far expanding industrial and commercial activity in the South early steps should be taken to establish an institute of management as a suitable centre in this region. This reference was only to what the Government has done in the shape of National Education and Engineering and business administration and all management institutions at Ahmedabad and at Calcutta. We have felt that this will leave the South out. Afterwards I think it may leave the North out too, Bombay and Calcutta. Actually to form foundation, experts have suggested 4 centres. We may have to select North and South.

Now the resolution, gentlemen, deals with one aspect of our industrial activity and i.e. "The management Task" and we have said that there is need for management training to be

organised on proper lines. I may tell you one thing, that we in India have a set policy in this respect. The management training has not been neglected in any manner but you ought to accelerate the pace. But the Government of India had appointed a Committee under Sri Jahanger Gandhi to make recommendations as to what should be done. Then that committee said, hereafter there will be another committee which will go up as the course committee. Then on the recommendation of the Jahangir Committee, 4 Centres were selected, Bombay, Calcutta, Madras and Delhi. Then they felt the necessity for industrial management. Farukpur was added for an institute for technology and then Bangalore was added. So we had 5 to 6 centres. In advanced countries they were doing like that.

As our chairman said, I went there I did not go to study practically on my limit but how manual education is being given in the U.S.A. That was the theme before because these members said that they were sent out to study what is being done in U. S. A. As a result of that, there has been expansion in some more universities.

In addition to that the National Productivity Council, then under the T. C. N. A. has been running a series of courses with the help of associations like our A. I. M. O. which has run certain courses. Another course by

associations like trade Bodies have been doing this in course of time. What is this difference? The difference is that those who are practising managers, who are holding some position of managers, whether it is at low, middle level or, foreman level or a high level of management. In Srinagar an advanced management course is being run and is organised by the Institute of Technology - M. I. T. The School of Industrial Management is running this course of advanced management. High top level people are undergoing this course of intelligent training at Srinagar.

These are giving you the back ground, because you are taking this question of training in management on very organized, very scientific, and very well thoughtout basis. Our resolution brings this matter into prominence with the idea that we should be aware of these courses. We should encourage our people to go through these courses. Also where we have got the knowledge, we should send out our own people to conduct the course. In this way we feel that the management level of our country will rise.

Now, why I say that this is necessary. Same questions may be asked. We are all business men. We are running our business. Are we not managing our business? Is it necessary for us to go and be trained? Who trained me? Who trained you? How did

you learn? Well, I may tell you. I learnt from my father. Then how did my father teach me? He taught me by asking me to do a job of management. He entrusted me one job or other and gradually he built up my knowledge. This is the principle of management training. Management training principle is, that we can only learn by doing. The science of management can be learnt best by doing.

Now you may say, why all this training for us? This doing is now expanding. We are all developing people who use to say that they will manage well. I like to manage. I like to lay down the law in my company. You do this job as I tell you. That has been the theory very often. It becomes a dogmatic theory that this is the way of doing the thing. But when we go according to teaching for ourselves, we find that there are other ways of doing these things. And this idea of widening the horizons of our knowledge by exchange of ideas, by sitting down in process, where people of experience give us – you see a reference made – that university Professors should be allowed to do research in History.

What is the research you will ask? What is the research in management. Let us take a simple method of plant layout. We see plant layout might be a simple matter. But when you go within the factory it is not comparing

you. What do we do in our factory? What does the other man do? And with this trend you find that plant layout is a scientific thing and plant layout requires a deep study. We just cannot start a factory and say, "Well, well you buy a machine stick it up here. There is room there. Pick up a place there or stick up a drilling machine there". You cannot. Enterprising comes only in the handling of the materials in the factory. Very many people have different ideas of how to handle materials. The material management.

Marketing – The management of marketing very often you ask people. They will say, "Marketing is well up. Marketing means selling our products." Some people, talk about it. You find that marketing is quite different from selling. Selling is only one field of marketing. Of Finance. He will say, "What is finance? What do you say? I have got a big car, I have got a firm, I have got my factory, I have a standard car in my company and it is allright. I have got my books of account, regular books. Finance and account maintaining books are very often confused. These are all aspects of management which are basic factors of study. Overhaul, we call this as men of science. That is the advance management course run in Srinagar. They will ask during the course of study, of financial needs of a growing, expanding business. You see we are not accountants.

We are practicing managers. Where does this question come in. But when it was explained to them that as in the practice of management, the question of financing or expansion – how will you study? How did you understand it? How are you going to do it? When this exchange of ideas comes in, we get wider knowledge of what decisions we have to take when we are practising as managers. After all, practising of management is a series of decisions which have to be taken by you at all levels of management, at whichever level of management you are. Because of this background we feel that better arrangements should be there, greater advantage of very vast facilities which have been created in the country within the four foundations of aid which will establish two institutes of management at Calcutta and Ahmedabad. All the institutes of industrial engineering at Bombay – all these are going to provide a vast field for us to improve our knowledge in this very important field of management.

We are accustomed to think in terms of our individual management, and our individual control. But the moment we think of expansion, we feel the wish we need more men to manage, and then we can look for qualified people and we find that we are qualified in one field or other, they have university degrees, but coming in the role of management, they are not so successful.

But this way of developing the executive to take on higher responsibility by training in management, are they going to a course or as we have said in clause No. 2, management should arrange wherever possible, their own executive development programme within your own company. You can train the man to go to a higher level of management in your company.

By introducing in your company a course of executive development with the aid of the material which the M. T. C. provide with the University help or whatever field you feel you can, by your own contribution, train your own staff to a higher level of management. We feel, that this is essential.

The other day we had in Bombay a conference on the Economic Development of the Maharashtra State. There we had the former Chairman, the Finance Minister and Chairman of the University Grants Commission Mr. C. D. Deshmuk. The first question that they raised was the question of growing importance of the managerial class. The people in management of business, we call it a new Technocracy. This class which is fast developing we need more and more. We will see a reference to-day by Prof. Humayun Kabir in the papers when he was discussing the planning commission's programme. Here also he points out the lack of technically trained

people and technical training includes the training in the science of management. But it is a very vast subject no doubt and much can be spoken, but we want only to give a lead to our members and thereby to the industrial and commercial community in India that they must take full advantage of what facilities are offered. The Government should examine this question. The University Commission should examine this question, give more facilities to the professors to keep up abreast with the change of management practices and all these we want to do, because we feel that as our industrial expansion takes place, I am referring to industrial expansion, commercial expansion, the problem of management personnel is going to be an acute one and if we do not prepare from now on, we may find ourselves running our business in an inefficient manner.

Now I do not want to take more time because many people, I am sure, would like to express their opinion on this resolution and perhaps give some more ideas which we can incorporate, make this resolution wider in its application.

So, with these words I have much pleasure to formally move this resolution.

Chairman:

I request Sri B. N. Gupta, our Vice Chairman to second the resolution.

Speech by

Sri B. N. GUPTA,

Vice-Chairman.

Mr. Chairman and Friends,

I have great pleasure in seconding this resolution which is to a large extent self explanatory. My friend, Mr. Fazalbhoy has given you a birds eye view of what is implied in this resolution and how important it is to our country which is fast industrializing. As you are all aware, India has to take up vast strides and catch up with other industrialized countries. Probably the management training is one essential feature which will decide the rate of progress that we could achieve.

I would tell you a very very interesting example. I had the honour of leading a delegation to Japan and when we visited many factories, the knowledge, the management of their production, of their capacity was some thing amazing which we did not have ourselves. To quote you one example when we visited Quai Iron works they asked us the production figures of Bhadrawathi Iron works, which was in Mysore State. While I was blinking they were able to produce the production figures for

the last quarter. It is no wonder those countries steal a march over countries like ours. It is essential therefore that a very important subject like Management Training should draw our urgent and immediate attention and so I have great pleasure in seconding the resolution. (Cheers).

Chairman:

Mr. G. K. Sundaram, Managing Agent, Lakshmi Mill and President, Management Association, Coimbatore is present. I am requesting him to offer his remarks.

Speech by

Sri G. K. SUNDARAM.

Managing Agent, Lakshmi Mills, Coimbatore.

Mr. President and Gentlemen,

I am very glad to be here this morning and I am here to tell you very briefly, the management activities in Coimbatore. We have a productivity council as well as an institute of management, established for the last few years. These two organizations are working hand in hand very co-operatively. I happened to be the Vice-President of the Productivity Council and President of the Institute of Management.

In the last 3 years our experience has been that the real top management takes very little interest in it and that is all the most important, that an organization like this All India Manufacturers Organization must emphazise and bring home this point to their members.

Wherever we conduct these two organizations we are conducting a series of lectures, symposiums, discussions, film shows and on the spot, study classes. Quite a number of them we are doing continuously for the last 2 or 3 years. With the help and co-operation of the South Indian Textile Research Associa-

tion here, they are doing that part of the textile industry, entirely by this Research Association.

You might have read in News papers that they were conducting seminars on "Human Relationship in Industry". They are going stage by stage and now they have come up to the 3rd stage, - the 3rd part of it which was inaugurated the other day by Shri Giri, the Governor of Kerala.

This productivity Council and Institute of management here are now on a project to assess the loss of production in Coimbatore due to want of raw materials. This is the first of its kind that is done in India. Even in our report as our president said that due to lack of raw materials the productivity or the idle capacity in our country is very great. That is said to be anything from 25 to 50% or 60%. We want to assess in Coimbatore exactly what is the loss on account of want of raw materials. For quite a long time we were suffering for want of coal supply. Not only recently due to lack of transport but even years before where-ever we get coal, we don't get iron. When we get iron, we don't get coal. When we have got coal and iron, we don't have power supply. That is the usual feature during the summer months in this part of the year. Whenever we had all the three, we had the labour trouble.

So, we wanted to assess the loss of productivity, particularly in Engineering Industries in and around Coimbatore. The association is now engaged on this loss of productivity.

And I was also fortunate enough to participate in the top management course held at Srinagar last year which our member mentioned just now. It was intended for the top management people and it was really instructive and very tough course, I should say that though it was only for about 5 weeks. We were just like high school students in our younger days. From morning to night we were to listen to talks, not only lectures, discussions but quite a number of reading and home work as well and for this year a similar course has been started only on the 5th of this month. That is going on. Even for such a course the response in this part of this country was very poor. They wanted one representative from Coimbatore. We were given the option. Our institute of management selected two and when we submitted our recommendations they approved one and in the last minute the approved member was unable to attend and that is the case in quite a number of centres. That is what is happening. The selection takes place months ahead, and they select the real top people who need such an intensive training course. But in the end you find that more than 50% do not turn up. They send their

1st assistants or 2nd assistants or 3rd assistants as the case may be. As a result, in the course that is to be held there, you get a mixture of all, from juniors, from just a senior supervisor to the very top management people. The object is beaten.

So, I request once again the members of this general council as well as members of this organization to take much more interest than what they are showing now in training the management personnel. If they think that they are very old it is still worth while undergoing this training and at the same time they can send their youngsters, the next to be, who will take their position of place. They must be given this top training class, top management training and that too very very urgently.

With these few remarks I thank the chairman once again for giving me this opportunity to be in front of you this morning.

Thank you. (Cheers).

Chairman:

Thank you Mr. Sundaram for the very valuable remarks you offered. I will request Mr. G. D. Thakoor to have his say.

Speech by

Mr. G. D. THAKOOR,

of Bombay.

Chairman and my Friends,

I am G. D. Thakoor from Bombay, Director of The Oriental Metal Pressing Works. I had the opportunity to attend the 1st management Course sponsored by Indian Government at Korakpur. I had the opportunity to be one of the delegates from the private enterprise and I have taken keen interest in the course which lasted at Korakpur for 15 days. Now 50% from the public sector were selected and 50% from the private sector.

Now, in this management course we had in the morning lectures from top management of different industries, After the lecture we used to draw conclusions and make a report. In the afternoon we had tutorial and in the tutorial we used to discuss the problems of the most practical difficulties in the industries. Now, by discussing these problems, we used to bring about all the difficulties which were from day to day brought before the top management and these problems which were discussed at the committee level are brought again and made a good report and that was given at the time when that was read before the meeting.

Now, my own opinion about this management course, I had in my own factory started my engineering career and my father had given the supervisory training I went on the most practical way and found out my own methods. By doing so I came to the engineering section and then to the executive section. Now I have established myself on the top management and at the moment I am the managing director. But I have found that during all these course of my life that the management training should be given at the factory level also and only then it can be combined by the theoretical way and then it can be introduced and the result will be very good.

I thank you chairman with all this.

(Cheers).

Speech by

Mr. I. T. MIRCHANDANI,

of Bombay.

Gentlemen,

I will be brief. My name is Mirchandani and I work for a firm called Advani Aldikon and we make all kinds of electrodes. On the walls of this building it is said "The greatest enemies of children are their parents". So unwittingly many times the greatest enemy of our industrial enterprise is our management and consequently we thought at the A. I. M. O. that we have a resolution stressing on the importance of management.

As Mr. Fazalbhoy already told you all, some time ago, management was traditional. But now we are passing through an age where traditional management is no longer possible. The owner manager is becoming less and less important and the importance of other people in management has arisen. As also explained by Mr. Fazalbhoy, now in India a lot of seminor management people are taking interest in management and going to courses. But strangely enough, management requires lower levels and from there we have very few people going. We need for example, management right down at plants level and that is what we have recommended in the resolution that middle management also be trained.

We also stressed on the aspect of use of universities in training for management. Over the last half century the experience in the industrial countries have shown that management is no longer the unknown thing like musical skill or something but can be based on scientific lines. In fact very big companies have lot of decision of taking 'Electronic Computors. Management means the ability to marshall facts and produce results from it. That is one aspect.

The other aspect of management was spoken here some time ago as the human aspect and there of course, unfortunately computors don't give us the answer but we can be taught to behave well. The problem with the universities at present is that a lot of professors there haven't seen a plant. Hence, we have stressed the need of so closely associating the factory. Thus the management training is a subject which will have a vast effect on our economy. For example a lot of us believe that the troubles of the public sector enterprises are due to mismanagement. That itself shows how important management is.

I don't want to add too much because very competant people like Mr. Fazalbhoy and I think, some other competant people are speaking after me.

Thank you. (Cheers).

Speech by

Mr. PRABHU MEHTA,

of Bombay.

Chairman and Friends,

I just wanted to exchange a thought with you. I am Prabhu Mehta from Bombay. I am connected with Textool Conversion and Textool Machinery Manufacturing business. Mr. Chairman said that I must give my introduction properly. I am a member of the governing body of the National Productivity Council and I take a lot of interest in management training. I wanted to exchange particularly an idea that has been bothering me for quite some time and that is, I do feel personally that the good times we are having in business as managers or management are not going to last long. If this is true, then where we are with our absolute methods of managing our men, money and material. We will have to remain in the business and to remain in business we have to be competitive.

How can a business be competitive. The old idea of the grand-father, make cheap and sell dear no longer exists. The consumer has the voice. He wants a fair quality and a fair price. He wants that his money should be

efficiently utilized when he buys products or your commodity and so he wants you to be efficient in managing your own affairs. That is one of the ideas why in the All India Manufacturers' Organization since last 3 to 4 years we had been stressing this particular aspect of management training. The 2nd one was a very selfish motive of mine while I stood up here, it being a part of management and I am always interested in making more money. Human being, after all I am a human being. I am not infallible to this susceptibilities and how can I make more money. I can make more money for my profit improvement as we call it management. Either I sell very dear which is not going to last long.

Then the only way I can make more money is to make my products cheaper. Make it more acceptable to the consumer, make a larger turn over and make my profit larger, have profit improvement.

Now this is only way that can be done. Your automata is not going to function. You have an automative machinery. You can have the finest raw material and the finest technicians. But by your own management methods, by your controls, if you create bottlenecks at every step, then it is not a smooth flow. It is not the proper pricing policy. It is not the proper management of finance, that

profit improvement was the benefit of your modernization. We talk too much of modernization which is not likely to come.

Therefore I particularly do believe that 'Charity begins at home', so the education. Let us start educating ourselves. Let not the resolution be a resolution itself but let us resolve with in our mind that "from to-morrow I will start training myself for a better management",

Thank you. (Cheers)

Speech by

Sri G. V. PURANIK,

Chairman.

As is customary just to wind up the proceedings of our resolution and particularly verify that no amendments have been suggested to this resolution and that is the credit to the last speaker who gave us the idea and to Mr. Sahukar who prepared the resolution for our consideration. We hope, we have had in this discussion, once again the emphaisis that has been about what role we have to play in management. When as a member, I said I learnt management from my father, that is just that one man can teach one that was how we started. But when we have seen now in this discussion on the resolution, that so many other aspects come in and we do need the experienced man to tell exactly what to do, whether the question of pricing as Mr. Prabhu Mehta now said, because pricing is not merely fixing a price but it is really the survival of the business that must be taken into consideration.

(Cheers)

Speech by

Mr. K. K. RAMAN,

Mg.. Director, The Mettur Chemical & Industrial Corporation Ltd., Mettur Dam.

I came from Seshasayee Brothers and The Mettur Industrial Corporation Limited, Mettur Dam.

Mr. Chairman and Friends,

I came rather very late for this meeting due to certain mishaps for my journey from Trichy to this place. I am very sorry for that. It is due to circumstances beyond my control because of floods in the Cauvery.

Now on this resolution I would like to emphasise one or two points. First is that the pricing policy should be more generously considered by them. Firstly every country, I will say, has got a pricing policy internally as well as for export. That is the first thing and the best thing to be done to encourage export. I, for example will quote the Japanese factories. While I was there I knew that, that was some 2 decades ago. I knew, to encourage export, the Government subsidised every product that was produced in the country and there was also a condition that for export the quality should be higher and better than the quality for import and for internal distribution in the country and the Government went to the extent

of subsidising generally, if world markets, you see are not such as to receive this product, Government subsidised the products very liberally.

As compared to that, I just give you one example. Suppose in our own industry, we are the only manufacturer of stable bleaching powder in the country and the I. C. I. challenges to do, produce the same bleaching powder in India. It is impossible, to do it and top the role in our country. We did produce stable bleaching powder and we had been doing for the last 8 years and we are the only manufacturers in the country.

Now we are exporting from Mettur Chemicals, you see, but we have done nothing to move the Government to encourage exports. There is a considerable market in the Middle East and Far East for stable bleaching powder. I. C. I. have captured the market because they enjoy several facilities. Shipping, you see, there are facilities in their own country whereas we are handicapped because from here we have to send it to Afghanistan or to Persia, the freight and other cost come to Rs. 15 per cwt. So how can we compete with I. C. I. in those markets. Unless we are given special rates for internal rail transport or for external transport it is impossible to do any business export promotion in this item.

So, I would suggest that our chairman will take various steps through the export promotion council as well as Commerce and Industrial Departments. But every wing of these departments there are several ways within these departments – they observe that one should co-operate to see that his service is foremost. They are trying hard as we are all exporting this and that and how is it possible, how is it economic to do, unless they give us a better price in India and other facilities for exporting this product.

I will tell you, just for example, that when I. C. I. is selling at Rs. 38 per cwt in India their own stable bleaching powder, we were asked to sell because our product is controlled and the price is controlled and fixed at Rs. 27. Is it not a scandalous policy for the Government? Is it not? I request the chairman to take particular note of this item and write to the Export Promotion Council that unless manufacturers are given all facilities that are just and fair, it will be impossible to make export promotion a success.

I will just finish my speech with these few words and I heartily support this resolution, moved by the mover and the seconder.

Speech by

Mr. SAHUKAR,

of Bombay.

Mr. Chairman and Friends,

I was right when I said that this resolution does not need any formal moving. Everybody agrees with it. How so ever there is an excellent suggestion by Mr. Govinda Doss. I whole heartedly agree with that suggestion that our fresh structure for shipping, needs revision. There is no question about that. My difficulty in agreeing to this amendment in this particular resolution is that this resolution is titled "Price Policy and Export Promotion". Now I do not know that with in the Price Policy the fresh structure would really become an integrated part, because it does not really become the question of prices as we concieve the prices here and for Mr. Govinda Doss's information I would say that last year we had a resolution on export incentive. In that, this particular question of shipping structures as well as railway freight for export, priority for export and everything was suggested.

I would also say, I do not know, he must be knowing it but within a fortnight there is going to be a meeting in Bombay where all the shipping companies are getting together to

reconsider the price structure possible. Government of India is also being represented by their shipping people. This being the case and A. I. M. O. having taken up on several occasions this question of price structure, particularly for export commodities and this resolution being entitled, "The price policy and Export Promotion" I am quite sure Mr. Govinda Doss will not press for this amendment.

As far as Mr. Raman's suggestion is concerned as the chairman is in charge of it, I have nothing to do with it. It is a good suggestion and I being Mr. Raman's customer, I only can say that I do not get what I need in bleaching powder myself.

Speech by

Shri G. V. PURANIK,

Chairman.

The resolution has been duly proposed and seconded and I can now put it to your vote. Those who are in favour and those against.

Carried unanimously.

Now the 3rd resolution on Development of Industries in Madras State will be moved by Sri C. R. Sundaram. There would be quite a number who would like to speak on this subject and therefore those who like to speak, if they were to intimate their desire, if the names are less it may not be necessary to control the time. But if they are more I may have to do so. So, I would again request that those who would like to speak may please send their names.

Speech by

Mr. C. R. SUNDARAM,

of "Delisle", Ootacamund.

I am taking for granted that you have read the resolution and after doing that I want to introduce myself to tell you why I should not be moving this resolution. My name is C. R. Sundaram. I am really speaking in the presence of these tycoons of industry and commerce and I have no place at all and because at the moment I represent what is called the 'Public Sector' as I happened to be in the management, as some one said it, in the mismanagement of a couple of private sector companies.

But in any case, now that I had been asked to do it. I want to propose the same and also I want to tell you that one of the reasons why I should not be proposing it is, the fact that my experience though my home town is Madras and the South, I have seldom been here. Fifteen years of my time have been spent abroad in Europe, U.K., U.S.A., and other places and the rest outside Madras and Bombay, Delhi and other places. Therefore I would not be able to talk to you in detail. But I spent one year in studying this proposition of what is called the under developed territory in India, which is the South and in particular Madras.

Any how one of the reasons why I can talk is the fact that I think to be associated with some body who plays some big part in the industrialization of this part of the country, specially Kerala and Madras. Having said this, I want to propose a little amendment in what has been placed before you.

In the preamble we talk about, it requests the state Government to take both long and short term steps to accelerate facilities for power, water communication, drainage and then you may put it such other necessities as necessary. It is a minor thing and there is no objection to it.

And then getting on to No. 3 you see at the present juncture there is a lot of talk between the public and the private sector and all the rest of it, specially in the South. You will find that there has been certain amount of co-ordination, if not collaboration between the public sector. And my friend who spoke before me might tell you if he felt like it that they have seen certain amount of co-ordination. The Hydraulic power production and various other productions that have been taken up in the public sector and they have not done a bad job of it and that is why I would like to say here that to bring about the establishment of fertilizer factory at Neyveli "if possible in the private sector". The speaker who spoke before

me has a lot to do with the fertilizers and so forth and we are hoping that persons like that will take it up.

But management potential as some body else said before is very short all over. Management in top will certainly bring that end in the south and all over India. It has been taken for granted from the point of view of heridity and secondly from accident. The training for management is coming to fore now and that is why for that, now, it is deliberatly said that it is to be done in this sector. It may not be possible. There has to be co-ordination, so that friendship could be treated like paragraphs and sentence, where one knows where one begins and one ends, and that is why I would say, we put the 'If possible in private sector'. With these words I commend this for your consideration and if possible, talk on this.

Thank you Mr. Chairman. (Cheers).

Speech by

Sri R. K. SRINIVASAN

Ladies and Gentlemen,

I have great pleasure and almost feel it my privilege to second the resolution, so ably drafted and so correctly moved by my predecessor. Sir, in doing so I crave the indulgence of the chair to grant me 2 or 3 minutes, because in an association like this my main stock in trade is talking. I have no goods to sell except talking.

This 3rd five year plan which comprehends so many targets, some of them possibly not within the realm of realization, some of them might be exceeded. There is a subordinate aspect where the components which go to make up the target, having started a tempo, produce much more than what the comprehensive target may contemplate. It is in that spirit that I am very keen that several industries, medium, small scale, cottage, big, all are pushed through with a dynamism, unmindful of even failure. Big things can never be achieved except in a big way. Small men cannot do big things. If you were let to say or any body else should say that these people have been poor even in tops of big things, let us think big. Our Governments are therefore

giving all the facilities, let it be public sector, let it be private sector, let it be any sector, let there be production, let there be employment. Let us go with the spirit of dedication. Profits are motives defenitely for promotion but they are not the exclusive motives, in their profit motive and some other motives too. Providing employment is in itself great achievement. So sir, I am commending this resolution with all its beautiful paragraphs for the kind acceptance of this house. I say, if these resolutions are accepted by the Government and implemented, they have justified our selection into their office.

May God bless them.

Thank you Sir. (Cheers).

Speech by

Mr. M. RAMIAH

Bangalore.

Mr. Chairman and Friends,

I am M. Ramiah, Director of Mysore Machinery Manufacturers Ltd., Bangalore and ex-president of the Mysore Chamber of Commerce, and ex-member, Mysore Electricity Board.

With regard to Railways I want to say only a few words. We have been informed that we are going to have Hasan - Mangalore Railway and Hasan - Salem Railway. Generally as you all know there are 4 grades of gauges of railway i. e., Broad gauge, Standard gauge, Meter gauge and Light gauge. Generally we have got in India, light gauge, meter gauge and broad gauge and by having in one country like India, three gauges, there is a lot of wastage of time and damage to the goods. In all foreign industrial countries we have got only one gauge. Therefore, the main object of having Hasan and Mangalore Railway is to carry iron ore for export and it is better that we will have broad gauge because already we have broad gauge in the line.

Secondly Salem and Bangalore. In Salem we have got broad gauge and also in Bangalore we have got and it is better that we have broad gauge and if that is not possible, it is better that they build Railway roads, bridges or canals in such a way that at any time it can be converted into broad gauge and secondly Sir, in all foreign countries, wherever industries they have got practically good transport facilities.

In India we are, of course, advancing rapidly with regard to the industries. Unless the transport also is improved, it will be just like building dams without canals. So I request this organization to take up this matter to the India Government and whenever Government talks of the carrying capacity of the railways, they say last year we were carrying only so much, this year we are carrying so much, 10 years back we were carrying so much. That is no comparison. We always compare what other foreign industrial states are carrying and what we are carrying that is the only comparison.

Thank you Sir.

Speech by

Mr. PRABHU MEHTA

of Bombay.

Mr. Chairman and Friends,

I have just got up to make an addition to the resolution with the consent of the mover. So there is no dispute about it. I suggest item 9 should be added in the resolution which will read as under. "Encourage the establishment of financing agencies to implement your programmes of development" I did not comment it.

Thank you.

Speech by

Ex-Chairman of the organization

Mr. Chairman and members of the Central Committee,

I have great pleasure in seconding the amendment suggested by my esteemed friend Mr. Prabhu Mehta. I am afraid I am not inclined to agree with mover of the resolution who has slightly diviated from the official draft while moving the resolution and suggested that under 3 on page 2, we might add the words 'If possible in the private sector' after Neyveli. Sir, I am afraid that the A. I. M. O. tending up as it has up till now to the basic principle of private sector having a place in the sun in this country, I do not understand why this organization should fight shy of saying that we want this industry in the private sector.

As a matter of fact Sir, fertilizer industry is one of those industries in respect of which, according to the original policy of resolution of the Government of India, it was resolved, it was reserved for the public sector. The result was that for a number of years there was a complete arrest of the development of this very vital industry in the country and if so much harm has been done in the past to our agricultural economy, it has been because of this

selfish policy of the Government in reserving completely the development of the fertilizer industry in the public sector. As a matter of fact, when for years together we started having put deficit, that the Government themselves realized the wrong trend they have taken and therefore agreed to the inclusion of this vital industry in the private sector. If that being so and since as you know, the private sector is probably in a very strong position to deliver the goods and the public sector has not been in the case of fertilizer industry, in particular, there is no reason why we should not demand the establishment of this industry in the private sector.

As a matter of fact, Chemical industries and Electro-chemical industries have been in this state in the past in the private sector and have functioned very successfully and that particular industry is capable of functioning in this state and there is no reason why therefore we should not boldly say that we want the establishment of this industry in the private sector.

So, there is another point. It is not usual for me to criticise the public sector. I have always believed that there is room for every body on this, but the showing of the Sindhri fertilizer has been very poor in the past we must admit. The mover of the resolution, I am

sure, honestly will be the first to admit. It is a well known fact that the Sindhri fertilizer factory was working at a loss for a long number of years, despite the fact and – mark you despite the fact – that the prices of the fertilizers produced by Sindhri are some where about 25 to 30% higher than the prices of imported fertilizers and because of that, the country has suffered. Our agriculture has suffered, our entire economy has suffered and therefore the wish of ours lies in the mouth of this organization which is certainly the champion of the industries in the private sector to say that we will bear on sufference if possible. Why possible, we want it, Sir, in the private sector and therefore Sir, I strongly oppose this suggestion made by the mover and respectfully appeal to the house to accept the resolution as it is officially drafted, subject to one amendment, put by my friend Mr. Prabhu Mehta and one suggestion made by the mover himself in the preamble to the resolution.

I have done Sir.

Speech by

Mr. K. K. RAMAN,

of Mettur.

Chairman and Friends,

I fully support what the previous speaker said now. Mr. Sahukar said just now about the fertilizer factory being allotted in the private sector. I fully support it. I can challenge any body to say whether a Government Public sector fertilizer factory can do better than the fertilizer factory which we put up at Mettur. I can challenge them with facts and figures. Inspite of that fact, the fertilizer factory at Sindhri is enjoying so many facilities which are denied to us. Fortunately for us, in the Madras State, the Cabinet is so constituted that they have no fantastic ideas for the private and public sectors. The Ministry is probably inclined to do their best and you ask to do this for the private sector and they have done in the case of our Salem factory, in the case of aluminium industries. Just recently the foundation stone was laid by Sri Lal Bahadur Sastri. I am sure and I am confident that we have plenty of scope for the private sector to start many industries in this state, because there is no crude ideas working in their minds about the relative merits of the private sector and the public sector.

I will just suggest in this resolution that we may add the establishment of Soda Ash Industries in this state in view of the plentiful supply of raw materials like salt and lime available in the state. I will suggest that we will put up at the end of this financial year in this state, you see I have worked out a scheme for putting up the Soda Ash Industry in the Madras State, because the sources and resources for the industry, from the consumers point of view are in South India.

Friends, we had been chronic sufferers of power shortage for the past 15 years, to my knowledge, past 16 years. If only the Government had taken wiser counsels and planned the establishment of thermal stations, 2 or 3 big thermal stations in different parts of the country, and tie them up with hydroelectric grade, there will not be any shortage. Even the thermal stations that we have in Madras or in Madura are only a failure as thermal stations. I will tell you that in Japan and in the United States, their 40% thermal power is established by the aid of this power. In fact this is an all important item. Or you must all be in Japan for 6 months. I have not experienced a power cut or power off for a single day, certainly remarkable.

So, the most important change to be developed in the state is plentiful power, I

would say. I don't know how far we will be able to establish atomic power stations, that has been suggested in the 3rd five year plan survey made by the National Planning Council.

That is all I would say. I would suggest that the only steps to be taken by the industrialists in this province is to establish the Soda Ash Plant, which is established in the Centre, in Madras state and there is plenty of scope for increased consumption in the next 3rd five year plan.

Thank you.

Speech by

Mr. VENKATARAMAN,

Coimbatore.

Chairman and Friends,

I consider it a privilege to have been asked to say a few words. I represent the local Chamber of Commerce and am a member of the executive committee for the past 3 years and more. In fact I was about to slip away when my friend Mr. Kannappar, the past Secretary of the Chamber of Commerce, who has very ably fostered the Chamber of Commerce to the position it is occupying to-day in the economic politics of South India, if I may say so.

Another incentive which prompted me to say a few words was to have seen Mr. Sundaram on the plat-form. My friend Mr. Sundaram and I thought, you see, that in a sense I also sail in the boat as he had been sailing in the sense that he had been mostly in the north and I was also for the major part of my career, I had been mostly at Delhi, Bombay, Hyderabad, Gwaliar and Northern Centres and I applied to come down to the south after an absence of nearly 2½ to 3 decades. So, when I came to the South I have been able to view industrial problems with a great degree

of detachment and what struck me immediately after I came down to Coimbatore to represent one of the Birla's concerns as a manager here, was, the south to which I was accustomed, was no more doing that slumber that the giant has waken up and with the energy of a giant who had been sleeping for decades, he has been striving like a callosus.

Why I say this is, of late, you find quite a number of major industrial projects involving capital outlay to the enormity of 9 crores and 10 crores have been laid up. It is only the presiding genius of this brain trust, when we have a man of this type (Cheers) when we have an industrialist of this extra-ordinary gifts with open mind, I mean he has an open mind, as far as I have listened to some of his speeches from this hall and else where, he keeps an open mind. Many people ran away with the impression that he is prejudiced against this group or that group, or that Government or this. Not at all. As far as I have been able to judge him, he keeps an open mind and his criticisms are always objective, levelled against certain particular policies. He doesn't take his stand on a platform and he does not always talk of either this or that. I mean he has always taken the middle point of view. Some how or other unfortunately some impression has gained ground that he is prejudiced against the

Government. For my part, as far as, I have understood him, he levels his criticism with regard to specific issues and certainly there is ground for difference of opinion on such issues and why I say this, I wish the industrialists of the north take a greater interest and come closer to people like Mr. G. D. Naidu and try to invest capital in the South so that the lopsided development of economy can be remedied in the south also, - can come into its own.

With these few words, I have great pleasure, well, I am quite out of place to support or second the resolution and naturally these words. The only suggestion I wanted to make, as was pointed out to me by my friend Mr. Badami, in that resolution, page 2 of the resolution, which was just moved, in section 3, I would like to make this suggestion, "Bring about the establishment of a fertilizer factory at Neyveli if possible in the private sector". We may just have 'If possible'. I leave to your consideration but I have no loco-standing to second or support the resolution.

With these few words I retire. Thank you, gentlemen.

Speech by

Sri PRABHU MEHTA,

of Bombay.

Chairman,

I am getting this opportunity to talk to you. I wanted to tell you that if I suggested those words 'If possible', there were 2 reasons. One is Neyveli. It is already a public sector zone. The other which is much more significant is the fact that my friend Mr. Raman and others brought to the force, is the co-ordination that exists between what we call the Madras Government and the private sector. You see that is where these various concessions are tokens of the appreciation of the Government rather than any thing else.

As I know All India Manufacturers' Organization naturally stands for private sector and it has every reason to stick out for it in a big way. I agree. But exceptions have got to be made and we are talking in terms of Madras State and not any other states and it is because of this significant factor that we are talking about a state in which co-ordination, co-operation, collaboration exist, that word was introduced. With these words, I commended it in the way I put it up and if you vote it out, well there it is, Thank you.

Speech by

Sri G. V. PURANIK

Chairman

Rounding the 2 views expressed here, the one wording 'if possible' you see more or less suggest a sort of diffidence about the private sector coming forward. I preferably would support the balance in favour of the private sector and if private sector is not coming up, then certainly the industry should. If you put 'preferably' that would mean that if private sector is not coming up then the industry should not be held back.

Now, as the resolution stands, so far as the most discussed amendment is concerned, I was in a peculiar position, that the mover was going to be, so to say, the person who has moved amendment the original resolution and there I would have been required to put the amended resolution from the drafted resolution as an amendment and it would have appeared that there is a good deal of difference of opinion amongst us while it really does not exist, particularly when the mover has accepted the word 'preferably' because the word preferably would mean that we are not prepared to wait for the industry to start, the chance should be given to the private industry first, and if private sector is not coming forward the

industry should be there all the same in the public sector if it has to be.

So, I think the amended resolution is understood by all. Those in favour.

Those against.

Passed unanimously.

As usual I have not much time for my concluding remarks and the reason is a very happy one, because a number of our friends have taken interest in the subject and discussed the matter to the satisfaction of every body. I fully associate with the request made by Mr. Sahukar regarding the museum society at Bangalore, because it is needed for the rapid industrialization of our country and also as a token of respect for our revered Founder President Sir M. Visveswaraya.

I am sure all the members will pay all the due attention that this suggestion deserves.

The resolutions before you were very much significant in the circumstances obtaining at present and I will only say that it is not the chairman but the organization that deals with Government and many times finds itself heard also and as some of the speakers suggested that the organization or the chairman should move the Government in getting certain things remedied. I believe, it will be the privilege of the organization to strive in the right direction.

It is particularly nice of the Chamber of Commerce representative to take part here in the discussion and we believe that as I started the speech by saying that Mr. Naidu and his friends here will find a way of even going further, already we are proud of what he has done and at the same time it has a wider responsibility also and the A. I. M. O. will only be too glad and we will consider it a proud privilege to help what ever effort the members in Coimbatore as well as all those who are taking interest in the economic uplift of India and the Madras State.

Talking of our host Mr. Naidu though a formal vote of thanks Mr. Sutaria seems perhaps to be eager to move. At the same time I have been watching Mr. Naidu for a long time, particularly after the Nagpur session and I can express only in one sentence of what I feel about him is the closer we come to him, the more we know that we don't know him sufficiently. (Cheers). Every minute that we pass with him, all of us only yesterday evening all of us forgot. Mr. Naidu was speaking with his back to the clock and he, as a good host would have liked us as I could see from his telling later that he was not conscious that it was past eleven when we disbursed and every body else was more eager to hear him than to look at the watch and I must say that all the members who are present here have benefitted

not only by the meeting here and all the views expressed in this conference but also having a very close proximity to Mr. Naidu who had a fund of information and experience to give to every one of us (Cheers) and I fully sympathise with the people, while thanking those who sent these apologies, I also sympathize with them for what they have missed by not coming to Coimbatore.

I am only sorry that we could not bring here sufficient number of our members as was expected because so many had promised that they were coming, they were eager to come also. But the circumstances of the floods as reported in the newspaper, created undue fear generally in the minds of the members and some times in the minds of the family members and it stopped them from coming over and I therefore appreciate even so much more the co-operation extended by the A. I. M. O. Central Committee members by coming over here even though they knew that there might be inconvenience which however did not, the fear never was realized.

I thank all the sponsors of this meeting and also thank for the co-operation extended to me in the conduct of the meeting.

Thank you. (Cheers).

Speech by

Sri D. C. SUTARIA

of Nagpur.

My name is D. C. Sutaria of Nagpur. I am the president of the Nagpur Chamber of Commerce. I am a friend of the industrialists because I distribute the products of some. Before I propose a happy vote of thanks to Sri G. D. Naidu, I will garland our president who has very nicely conducted the proceedings of this meeting (Cheers).

First of all, I must thank very much Mr. G. D. Naidu for inviting us to Coimbatore for this meeting. It is very nice of him to have invited so many of us to be at Coimbatore and to be his guests under one roof. It is Mr. Naidu who can do it. No one can dare to invite so many people at one place and to be his guests. I must thank him very much for the reception and the hospitality which he is giving us here at Coimbatore. I cannot use more adjectives, because it will be superfluous but since I have known him, he is a very nice gentleman and it is always a pleasure to be with him and spend few minutes with him. I thank Mr Naidu very much. I also thank the people of Coimbatore who have extended their hands in arranging this meeting.

Well, Mr. Naidu had expected many of us here with families, but as our president has said, the weather God made it impossible, for some members to come. They are frightened because the news papers said that there were great floods.

So, some families hesitated to come and Mr. Naidu must have been disappointed, for he had made arrangements for so many. Any way it is not in any body's power.

I thank all other people who have tried and who are trying to co-operate with us and help us by giving us all the amenities at Coimbatore. Thank you very much. (Cheers).

Speech by

Shri G. V. PURANIK,

Chairman.

Mr. Naidu desires me to convey to all of us here that you may please proceed for your lunch in the President Hall immediately from here.

Here I convey some thing that he forgot to do, viz., thanking the press for all the support they had given. (Cheers).

Printed at

U. M. S. POWER PRESS,
COIMBATORE.